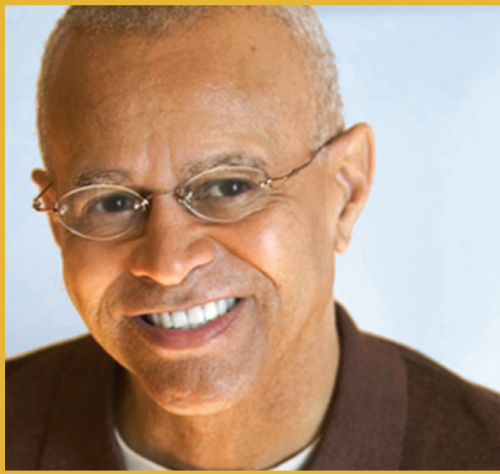




Service Retirement Guide

Public Employees' Retirement System of Mississippi



As a public employee in Mississippi, retirement is a benefit you have worked toward your entire covered career. Your years of member contributions to and vested status with the Public Employees' Retirement System of Mississippi (PERS) will provide you with life-long benefits upon retirement. However, the payment of these benefits is not automatic. You must plan and prepare for your retirement, a process that can be both exhilarating and, possibly, overwhelming. This is why PERS is here to help.

Before you can retire, you must meet the service retirement eligibility criteria of your Retirement Tier, decide on the right time to retire, complete the PERS service retirement application process, and terminate employment. This PERS Service Retirement Guide provides an overview of the retirement application

process and is intended to help you confidently transition from being a PERS member to being a PERS retiree.

You should begin the retirement process at least one year before you retire by attending a PERS Full-Day Seminar or Focus Session or by visiting one on one with a PERS benefit analyst. These sessions offer information on retirement eligibility, benefit options, and the entire retirement process. Call or visit PERS online for details about these opportunities.

When you are about three months out from the date you want to retire, you will need to begin the actual PERS service retirement application process.

See the following pages of this guide for details about this process, the required forms, your benefit options, taxes, insurance offerings, and other important information to help you make a smooth transition into the retirement years you have worked so hard to reach.



Providing Benefits for Life

Application Process

PHASE 1

Pre-Applying & Setting the Date

The retirement process with PERS can take time; so, we recommend that you begin the application process at least three months before your anticipated retirement date.

Obtain a Form 9A SRVC, *Pre-Application for Service Retirement Benefits* (available online). Complete sections 1 through 4, then forward the form to your employer to complete Section 5 and to submit to PERS. If PERS does not have a copy of your birth certificate, include one with your Form 9A SRVC. Your retirement date will be no earlier than the first of the month following your termination from employment with all covered employers and receipt of the completed Form 9A SRVC by PERS.

After PERS receives your completed Form 9A SRVC, your claim will be assigned to a PERS benefit analyst, who will audit your account for any discrepancies and then mail you a packet that will include an Estimate of Benefits and the necessary forms for completing your application.

PHASE 2

Option Selection, Naming Beneficiaries, & Direct Deposit

Using the Form 9S, *Service Retirement Application*, you receive from your PERS benefit analyst, you will choose your benefit option (See pages 6 and 7.) and designate your beneficiaries. No matter what option you select upon retirement, you will receive a monthly benefit and Cost-of-Living Adjustment (COLA) for life.

You also will need to complete and submit the Form 9P, *Payroll Authorization*, you receive from your PERS benefit analyst.

If eligible, you will receive a Form PLSO, *Partial Lump Sum Option Distribution Election*. If you elect to take a PLSO, you will need to complete and submit this form.

Ideally, all forms and elections should be completed and submitted to PERS prior to your anticipated retirement date. However, all forms and elections must be completed and submitted to PERS no later than 90 days after your anticipated effective date of retirement. Failure to meet the filing deadline will result in your having to re-apply for service retirement.

Roles & Responsibilities

You, the Applicant

- Complete and submit all required forms no later than 90 days after your effective date of retirement. Follow up with your employer if your Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, is not submitted timely.
- If you decide to not retire after initiating a claim, inform PERS in writing.

Your Employer

- Complete and submit to PERS Form 9A SRVC, *Pre-Application for Service Retirement Benefits*, which includes leave certification, projected earnings, and termination date.

Your PERS Benefit Analyst

- Keep you informed of your filing status throughout the process, provide guidance about required forms and necessary materials, and process the claim quickly and accurately.
- Make you aware of options regarding service retirement so that you can make informed decisions regarding benefits.

Service Retirement Forms

The PERS service retirement process consists of four forms (available online), which are completed over the two-phase application process.

The forms may be completed by you or by your authorized representative. If an authorized representative completes the forms, he or she must provide a copy of the durable power of attorney, conservatorship or guardianship papers, or other legal documents as proof of authority.

PHASE 1 Form

- Form 9A SRVC, Pre-Application for Service Retirement Benefits -** Establishes an anticipated effective date of retirement and acknowledgement as to your understanding of the 90-day submission deadline. *Requires employer certification. Submit with a copy of your birth certificate, if one is not on file with PERS.*

PHASE 2 Forms

The forms in Phase 2 will be sent to you by a PERS benefit analyst after your completed Form 9A SRVC has been received and processed. The Partial Lump Sum Option (PLSO) form will only be sent if you are eligible to elect the PLSO.

- Form 9S, Service Retirement Application -** Captures benefit option selection (including Partial Lump Sum, if eligible) and captures beneficiary designation. *Requires birth certificate for each beneficiary, if selecting a joint and survivor option.*
- Form 9P, Payroll Authorization -** Captures federal tax withholding preferences on benefit payments and captures optional monthly Cost-of-Living Adjustment election. Captures banking information for routing benefit payments as direct deposits, which is mandatory for all retirees.
- Form PLSO, Partial Lump Sum Option Distribution Election -** Captures PLSO payment selection and, if choosing a rollover option, captures trustee or custodian's agreement to accept the rollover. *Requires financial trustee/custodian certification with rollover selection.*

The image displays four overlapping PERS service retirement forms. The top-most form is Form 9A SRVC, titled 'Pre-Application for Service Retirement Benefits'. Below it is Form 9S, 'Service Retirement Application'. To the left is Form 9P, 'Payroll Authorization'. At the bottom left is Form PLSO, 'Partial Lump Sum Option Distribution Election'. Each form contains various fields for personal information, employment details, and retirement options.

Partial Lump Sum Option, Insurance, & Cost-of-Living Adjustment

Partial Lump Sum Option

The Partial Lump Sum Option (PLSO) is available to you in addition to the selected base option (with the exception of Option 1) as long as you are entering service retirement for the first time and you meet the requirements of your respective Retirement Tier. Seek assistance from a financial advisor and/or a tax professional to help you decide if selecting the PLSO is the right choice for you and your retirement needs.

At retirement, you may, if eligible, elect a PLSO distribution in an amount equal to either 12 months, 24 months, or 36 months of your Maximum Retirement Allowance. Your PLSO distribution will be a single payment and will be paid in a separate check but near the same time as your first monthly retirement benefit.

The PLSO distribution can be paid directly to you by check, or, if you prefer, part or all of the distribution may be rolled over to another eligible retirement account. A PLSO distribution paid directly

to you will have a minimum of 20 percent withheld for federal income taxes. You may elect to have more withheld, if you desire. If you receive a PLSO distribution before the year you reach age 55 (age 50 for policemen, firemen, and emergency medical technicians), the Internal Revenue Service (IRS) may impose an additional 10 percent federal tax penalty on the distribution. Payment of all taxes and/or associated penalties are your responsibility.

All PLSO distributions are considered final once cashed or deposited.

Should you come out of retirement to return to covered employment and later retire again, the new retirement benefit will be calculated taking into consideration the fact that the PLSO distribution was paid to you. The new Maximum Retirement Allowance will be reduced by the same dollar amount of the original PLSO reduction plus 1 percent of that amount for each month you were reemployed.

Insurance

PERS will withhold premiums for state/employer sponsored or PERS-sponsored insurance. Talk with your human resources or payroll representative about filing the necessary paperwork to continue the insurance that is available to you when you retire. For information regarding state-sponsored life and health insurance, contact the Mississippi Department of Finance and Administration (DFA) at 866-586-2781. For information regarding PERS-sponsored life and health insurance, contact Monumental Life Insurance Company at 800-749-6983.

Cost-of-Living Adjustment

The Cost-of-Living Adjustment (COLA) is equal to 3 percent of your annual base benefit for each full fiscal year of retirement prior to the year in which you reach age 55 or 60 (depending on your Retirement Tier), plus 3 percent compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn 55 or 60. All retirees and beneficiaries who have received monthly benefits for an entire fiscal year (July 1 through June 30) are eligible for a COLA. The COLA may be received in either a lump sum each December or in 12 equal monthly sums throughout the fiscal year. Once selected, the monthly payment option cannot be changed.

After You Retire

Post-Retirement Audit

Your initial retirement benefit is calculated using projected wages certified by your employer before your termination date. After your final wages are reported, PERS will audit your account and, if necessary, adjust your benefit for any underpayment or overpayment. The recalculation of benefits will be done within six months after receipt of your first retirement check.

Taxes

Your monthly benefits are subject to federal taxes. PERS will withhold taxes based on your preference, but you are responsible for any taxes owed to the IRS. You may elect to have no federal income taxes withheld, to withhold income tax based upon marital status and exemptions, and/or to have additional federal income tax withheld.

In the absence of submitted tax withholding information, PERS automatically withholds taxes based on a status of “married with three withholding exemptions.”

Retirement benefits are not subject to Mississippi state income tax; however, if you move to another state, your retirement benefits may be subject to taxes in that state.

Staying Informed

PERS is here to serve you, whether you are a member, retiree, or beneficiary. We encourage you to contact us and to use our printed and online resources. Our Customer Service Center, website, newsletters, and other communication materials are reliable sources for information and answers to questions.

Changing Options

If you selected Option 3 or Option 4B at retirement, you cannot change your option after retirement; however, the other retirement options contain Pop-Up and Pop-Down provisions that allow retirees to change options and beneficiary designations under certain limited circumstances.

Keeping Account Updated

You have a responsibility to keep your PERS account information current, even after retiring. Having your correct address on file means PERS can easily reach you if the need arises, and keeping other information up to date makes transitions and processing smoother for you and your loved ones down the road.

For your convenience, several forms are available on the PERS website to help you update your personal

information, amend your beneficiary designations, change your benefit option (if eligible), change the tax withholding status of your benefit, and change direct deposit information.

Returning to Work

Except as otherwise provided in PERS Board Regulation 34, *Reemployment after Retirement*, no PERS retiree may return to employment with a PERS-covered employer for at least 90 consecutive calendar days from his or her effective date of retirement or from the beginning of the next school year, as applicable, without canceling retirement.

If you decide to return to employment with a covered employer after you retire, you and the employer must notify PERS in writing within five days of the reemployment and provide the conditions under which you are being reemployed. Notification must be repeated each new fiscal year of post-retirement employment.

Once you choose to return to work with a covered employer, you must either:

- come out of retirement and become, once again, a contributing member of PERS or
- return to employment with a covered employer under limited reemployment conditions.

Base Options Quick Comparison Chart

PERS Base Option	How Benefits Are Paid to You and to Beneficiaries	Number of Allowed Beneficiaries	Restrictions on Naming Beneficiaries
Maximum Retirement Allowance Option	Maximum benefit for life for you, any remaining balance refunded to beneficiaries after your death	Multiple	None
Option 1	Reduced benefit for life for you, any remaining balance refunded to beneficiaries after your death	Multiple	None
Option 2	Reduced benefit for life for you, beneficiary receives your same monthly amount for life after your death, unless limited by IRC Section 401(a)(9)	One	Must be a person
Option 3	Reduced benefit for life for you, beneficiaries each receive 50 percent of your monthly amount for life after your death, unless limited by IRC Section 401(a)(9)	Two	Each must be a person
Option 4	Reduced benefit for life for you, beneficiary receives 75 percent of your monthly amount for life after your death	One	Must be a person
Option 4A	Reduced benefit for life for you, beneficiary receives 50 percent of your monthly amount for life after your death	One	Must be a person
Option 4B	Reduced benefit for life for you, after your death beneficiaries receive your same monthly amount for up to 10, 15, or 20 years from your effective date of retirement	Multiple	None

PERS Service Retirement Options			
Provisions to Change Beneficiaries	Provisions to Change Base Option*	Internal Revenue Limitations	Partial Lump Sum Availability
You may change beneficiaries at any time	Pop-Down if you marry after retirement while receiving the Maximum Retirement Allowance	None	Yes, if eligible
You may change beneficiaries at any time	Pop-Down if you marry after retirement while receiving benefits under Option 1	None	No
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 2 beneficiary dies or if you divorce your Option 2 beneficiary	Possible limit on beneficiary benefit if your beneficiary is not your spouse	Yes, if eligible
You may not change your beneficiaries	You may not change your option	Possible limit on beneficiary benefits	Yes, if eligible
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 4 beneficiary dies or if you divorce your Option 4 beneficiary	None	Yes, if eligible
You may not change your beneficiary except when Popping Up	Pop-Up if your Option 4A beneficiary dies or if you divorce your Option 4A beneficiary	None	Yes, if eligible
You may change beneficiaries at any time	You may not change your option	Possible based on your age at retirement	Yes, if eligible

* For explanation of Pop-Up and Pop-Down provisions, see PERS Member Handbook.



Public Employees' Retirement System of Mississippi
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800.444.7377 or 601.359.3589
customerservice@pers.ms.gov
www.pers.ms.gov



Other Resources

The following resources can be found on the PERS website.

- PERS Member Handbook
- PERS Disability Retirement Guide
- PERS Board Regulation 34, *Reemployment after Retirement*
- PERS Board Regulation 35, *Filing an Application for Monthly Benefits and Establishing an Effective Date of Retirement*
- PERS Board Regulation 48, *Partial Lump Sum Option (PLSO)*
- PERS Board Regulation 49, *Conditions for Existing Military Service At No Cost and Qualified*

Military Service Due to Interruption of Employment Available Upon Payment of Required Employer and Employee Contributions

- PERS Board Regulation 51, *Administration of Certification of Accumulated Unused Leave for Service Credit and Lump Sum Payments of Leave at Termination/Retirement*
- PERS Board Regulation 64, *Purchase of Service Credit in the Public Employees' Retirement System at Actuarial Cost*

Disclaimer

This guide is published for members of the Public Employees' Retirement System of Mississippi (PERS) to provide general information regarding PERS laws, policies, and regulations and is subject to periodic revision as laws, policies, and regulations change. See all current PERS Board of Trustees Regulations at www.pers.ms.gov/Content/Pages/Board-Regulations.aspx.

PERS administers the benefits described in this guide on behalf of participating employers. This guide is meant to serve as a general reference to our members and should not be used as a legal reference or a complete statement of the laws or administrative rules related to service retirement. If any conflict exists between the information in this guide and the applicable laws or administrative rules, the laws and administrative rules shall prevail.